

J. ALEXANDER LAWRENCE
ALawrence@mofo.com
MORRISON & FOERSTER LLP
250 West 55th Street
New York, New York 10019
Telephone: 212.468.8000
Facsimile: 212.468.7900

WILLIAM FRENTZEN (*pro hac vice*)
WFrentzen@mofo.com
MICHAEL BURSHTEYN (*pro hac vice*)
MBurshteyn@mofo.com
LARA MCDONOUGH (*pro hac vice*)
LMcDonough@mofo.com
MORRISON & FOERSTER LLP
425 Market Street
San Francisco, California 94105
Telephone: 415.268.7000
Facsimile: 415.268.7500

RAFAEL YAKOBI (*pro hac vice*)
rafael@thecryptolawyers.com
THE CRYPTO LAWYERS, PLLC
848 Brickell Avenue, Penthouse 5
Miami, Florida 33131
Telephone: 619.317.0722

Attorneys for Plaintiff Mango Labs, LLC

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- X
MANGO LABS, LLC,

Plaintiff,

-against-

AVRAHAM EISENBERG,

Defendant.
----- X

Civ No. 1:23-cv-00665-LJL

**MANGO LABS, LLC'S NOTICE
OF SUPPLEMENTAL
SUBMISSION REGARDING
APPLICATION FOR A
PRELIMINARY INJUNCTION**

Mango Labs, LLC (“Mango Labs”) provides this notice following the Court’s request for supplemental submissions from both parties regarding the distinction between Mango Markets depositors (“Depositors”) and MNGO token holders (“Token Holders”) with respect to Defendant’s attack and whether votes by Mango Decentralized Autonomous Organization (“DAO”) members bind Mango Markets Depositors.

In response to the Court’s inquiry, less than 1% of the Depositor accounts with claims against Defendant voted for the Defendant’s purported “settlement” agreement (“Proposal”). (Supplemental Declaration of Dafydd Durairaj (“Durairaj Supp. Decl.”) ¶ 7.)

Depositors are not the same as “Token Holders”. Depositors hold accounts on Mango Markets. (*Id.* ¶ 4.) “Token Holders” refers to wallet addresses who hold MNGO tokens anywhere on the blockchain. (*Id.*) Not all Token Holders hold MNGO tokens on Mango Markets. (*Id.*) Token Holders can use the MNGO tokens to vote in Mango DAO proposals. (*Id.*) At the time of Defendant’s attack, there were 25,795 Mango Markets Depositor accounts and 18,688 MNGO Token Holder accounts anywhere on the blockchain. (*Id.* ¶ 5.) 31.52% of Mango Markets’ Depositor accounts held MNGO tokens at the time of the attack. (*Id.*) Defendant’s attack depleted Depositor accounts, including these Depositors’ MNGO tokens. (*Id.*) Thus, Defendant deprived these Depositors of the MNGO tokens they held in these accounts for voting. (*Id.*) The only voters on the Proposal were “Token Holders” who held tokens outside of Mango Markets at the time of Defendant’s attack. (*Id.*)

The collateral taken in the attack included a mix of tokens, including Bitcoin and Ethereum, among others. (*Id.* ¶ 6.) 68.48% of Mango Markets Depositor accounts did not hold any MNGO tokens. (*Id.*)

The attack occurred on October 11, 2022. (*Id.* ¶ 1.) The Proposal vote occurred days later, beginning on October 13, 2022 (and ending on October 14). (*Id.*) 0.062% of Depositors’ accounts voted for the Proposal. (*Id.* ¶ 8.) 0.019% of Depositor accounts voted against the Proposal (*Id.* ¶ 9.) 99.919% of Depositors’ accounts comprising over \$100 million in value (prior to Defendant’s attack) did not vote. (*Id.* ¶ 7.)

There is no agreement by which the Depositors consented to be bound by votes of Mango DAO members. (*Id.* ¶ 10.) Mango Markets is an open-source protocol. (*Id.*) Mango Markets did not have a Terms of Use at the time of the attack. (*Id.*)

Dated: New York, New York
March 1, 2023

MORRISON & FOERSTER LLP

By: /s/ Michael Burshteyn
Michael Burshteyn (*pro hac vice*)

Attorneys for Plaintiff Mango Labs, LLC